

Statement of Congresswoman Sue Kelly House Committee on Financial Services Subcommittee on Housing and Community Opportunity Hearing: Review of the Community Development Block Grant Program

Thursday, March 14, 2002 at 10:30 a.m. in 2128 Rayburn

Chairwoman Roukema, Ranking Member Frank I want to thank you both for agreeing to hold today's hearing to review the Community Development Block Grant program. As we are all aware, the Administration has called for reforms of the Community Development Block Grant program in the budget submission and we all need to give these proposals close examination.

Community Development Block Grants distributes approximately \$4.3 billion to over 1,000 cities, urban counties and the states each year. These funds support various community development activities that are required to be directed primarily to low and moderate income persons. In my home of Westchester New York these funds fill critical needs. Seniors, the disabled, low and moderate income working families are dependent on the services these funds provide. In addition, these funds help strengthen communities by assisting towns with the proper growth and redevelopment of their commercial and public areas.

On page one hundred and seventy five of the budget, the administration calls for a redistribution of Community Development Block Grant funds. In an effort to ensure that these funds are truly targeted to poorer communities the administration calls for a fifty percent cut to these funds to communities whose per capita income is two times the national average. On the list of the towns and cities who qualify for this proposed cut is a single county --Westchester County. Because of this Westchester would be subject to a three point five million dollar cut which makes up thirty five percent of the expected revenues.

This proposal troubles me and my neighbors in Westchester County. The needs of Westchester County will only grow larger in the future. Poor families will still need clean safe affordable housing, seniors and disabled residents will still need support services. In light of all these needs this proposed cut is unacceptable.

Secretary Martinez has assured me that he is willing to work with us on this issue and I have found him to be a good and reasonable man. It is my hope the testimony we hear today and the discussions we will have will give us all a better understanding of the

issues involved. I look forward to working with my colleagues on this committee along with HUD, County Executive Spano and County Legislator Oros as we seek to ensure that Community Development Block grants continue to be distributed fair and equitably and this proposed cut does not become a reality.